



Rachlin Cohen & Holtz LLP  
Certified Public Accountants & Consultants

**Report of Independent Certified Public Accountants on Compliance and on  
Internal Control over Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

Honorable Mayor, City Council and City Manager  
City of North Miami, Florida

We have audited the general purpose financial statements of the City of North Miami, Florida (the City) as of and for the year ended September 30, 1999, and have issued our report thereon dated February 4, 2000. We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are presented in the accompanying schedule of findings and questioned costs.



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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described in the schedule of findings and questioned costs is a material weakness.

However, we noted other matters that we have reported to management in the schedule of findings and questioned costs accompanying this report.

This report is intended for the information and use of the Mayor, City Council, management, and governmental agencies and is not intended to be and should be used by anyone other than these specific parties. However, this report is a matter of public record and its distribution is not limited.

*Rachlin Cohen + Holfz LLP*

Miami, Florida  
February 4, 2000